

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 89-230-E/G - ORDER NO. 2003-342

MAY 23, 2003

IN RE: Investigation of Property Transfers from                    )  
          South Carolina Electric & Gas Company to                )  
          SCANA    )

ORDER APPROVING  
WAIVER REQUEST

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of South Carolina Electric & Gas Company (SCE&G or the Company) for a waiver of the requirement, pursuant to Commission Order No. 92-931, that the Company provide a thirty (30) day public notice of the availability of certain property for public sale. Because of the reasoning stated below, we grant the waiver.

By way of a letter dated April 15, 2003, SCE&G notified this Commission that it intended to transfer certain real estate located in Jasper County, South Carolina, pursuant to the notification requirement of Order No. 92-931. The Company described the property as being adjacent to the site of its Jasper County Generating Plant. This property is classified as "construction work in progress" property and consists of 58.219 acres. It is currently under contract to be sold to Beaufort-Jasper Water and Sewer Authority (BJWSA).

As part of the initial property acquisitions for construction of the Company's Jasper County Generating Plant, SCE&G states that it acquired a tract of land of 140 acres from Westvaco by way of a purchase date October 19, 2001. Subsequent to that transaction and within the context of on-going construction at the plant site, SCE&G

entered into a Right of Entry Agreement, date April 15, 2002, with BJWSA pertaining to approximately 58 acres of the original 140 acre tract. This agreement indicated that SCE&G intended subsequently to convey approximately 58 acres to BJWSA "at some point in the future as part of construction projects both parties are pursuing."

On this parcel of approximately 58 acres, BJWSA plans to build two ponds to settle any solid material that may be contained in the effluent (water) processed by BJWSA. The first pond will receive effluent from the BJWSA treatment plant's clarifiers that, in turn, flow into the second pond and eventually stream into the canal of BJWSA. The second pond will also receive blow down water from the Jasper County Generating Plant cooling towers. Thus, the pond construction by BJWSA is, in part, ancillary to the Jasper County Generating Plant project, and SCE&G is, as a consequence, planning to sell the land tract of 58.219 acres to BJWSA to accommodate water treatment operations and pond construction.

By way of a Purchase and Sale Agreement between SCE&G and BJWSA dated March 14, 2003, the Company proposes to sell the tract of 58.219 acres to BJWSA for the amount of \$363,439. The price for this parcel of \$6,159.98 per acre represents the sum of SCE&G's original purchase cost with respect to the Westvaco land transaction, external and internal expenses relative the land transfers and agreements, and carrying charges. The total amount of \$363,439 is the book value of the 58.219 acres, and the transfer of this property to BJWSA is part of the Jasper Land Work Order associated with the Jasper Generating Project.

In the interest of facilitating the completion of the Jasper County Generating Plant project and related water treatment requirements, the Company is requesting a waiver of the requirement, pursuant to our Order No. 92-931, that the Company provide a thirty (30) day public notice of the availability of the property for public sale.

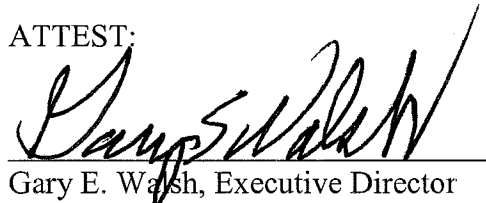
We have examined the circumstances of the present request and have determined that the Company's request for waiver of the notice requirement of Order No. 92-931 should be, and hereby is, granted. Clearly, the land in question is related to the completion of the Jasper County Generating Plant and is to be used in part for blow down water from the Plant by BJWSA. Because of these and the other factors cited by SCE&G in its request, including an explanation of the proposed selling price of the land, we do not think that the public interest requires the public notice as outlined by Order No. 92-931. The waiver is granted.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Mignon L. Clyburn, Chairman

ATTEST:

  
Gary E. Wash, Executive Director

(SEAL)